

**WRITTEN TESTIMONY OF**

**Georgette J. Stelyn**

**BEFORE THE**

**HOUSE OF REPRESENTATIVES HOUSING AND COMMUNITY OPPORTUNITY  
SUBCOMMITTEE**

**"REVIEW AND OVERSIGHT OF THE NATIONAL FLOOD INSURANCE  
PROGRAM"**

**APRIL 14, 2005**

Thank you Chairman Ney and other Sub-Committee members for the opportunity to testify before you today.

I and many others like me desperately need your help. My goal today is to share with you my unwarranted experience with FEMA's National Flood Insurance Program (NFIP). The ordeal that the NFIP has put me and my family through has caused such tremendous stress, that my four little children now have no father at home. Our marriage could not survive the stress.

What happened to me and my family unfortunately happened to many of my neighbors, and, continuing unabated, will affect your constituents as well. We believed we had insurance. We trusted FEMA to stand behind our policy. Instead when the first time came for us to file a claim, FEMA, its private contractor and our insurance carrier, Travelers, left us out in the cold, with nothing but a run around, and a coordinated effort to deny us our policy rights and benefits.

I have seen information gathered on the flood victim's internet website. I consulted with a former Certified National Flood Insurance Adjuster. It is becoming quite clear to me in light of the evidence collected, that something is dreadfully wrong here, not an accident, but a plan.

Flood victims across the country need you to act. Although it is too late to put my family back together, I have learned in the past few days that others across the country are facing the same problems. FEMA and their partners are at it again.

Please put a stop to these abuses by shining the light on FEMA and its NFIP, and at a minimum institute just the simplest of business checks and balances to ensure the fair and equitable treatment of policyholders who you have required to make a personal investment in their protection

I have provided the details of my own claim experience and mistreatment by the NFIP, CSC (the 175<sup>th</sup> largest corporation in the country, Travelers (one of the largest insurance behemoths in the country), EDS, The Fountain Group, Simsol, or perhaps all of the above in concert, acting with impunity because they always have, and believe they always can.



Read the details of my claim to learn how the process denied us our rightful benefits, but please don't mistake the specific actions for the intent of the deeds. Our claim was frustrated, stalled and low-balled by design, under circumstances peculiar to us. My neighbors, though their details differed, were treated the same in the end.....denied their benefits as well. Different reasons...same result. You hear me today as but one voice. Please don't hear me as one little voice speaking only on behalf of myself, I come today to be heard as a bigger voice, speaking on behalf of those who have gone before me, suffer now as I did, and those who will continue to follow after me if you don't put a stop to the fraud being perpetrated on us.

July 1999 – We bought a single story ranch house in Seaford, Virginia, directly on the Chesapeake Bay at the mouth of the York River. We previously had our homeowners insurance through an agency in Hampton, but had no need for flood insurance. We were informed that federal law required us to have flood insurance for our new home if we were placing a mortgage.,

We were advised by the agent to purchase insurance separately for our house and our personal property, which we did. Subsequently our insurance coverage was raised each year to cover inflation, and keep us insured to eighty percent of the value of our structure, the amount required to receive Replacement Cost Value (RCV) in the event of a loss.

In the beginning of 2003 we completely remodeled our house and added a two-story attached garage and upstairs bedrooms, with work completed about four months prior to the hurricane. Accordingly we were again advised we had to carry flood insurance for the increased value of our home and mortgage, and we increased the building coverage.

Sept. 18, 2003, Hurricane Isabel came up the Chesapeake Bay. We had been ordered to evacuate, and took our four young children and dog to the interior of Virginia, in the Shenandoah Valley.

Sept. 19, at about 10:00 am we received a call from friends with the fire department, telling us that they had just cut through the trees to our house, and that our house was devastated, with our possessions scattered everywhere.

We called in an insurance claim as we drove back, and arrived back at the house by mid-afternoon.

Sept. 22, Travelers adjuster Chad Newman arrived. He spent about 30 minutes, measuring, taking notes and about 12 photos. He advised me to start compiling a list of all of my damaged and lost personal property, listing the items, and the amount we paid for each item. Finally, he asked if we needed any money, and wrote us an advance check for \$5,000.00.

Over the next six weeks, I had numerous telephone conversations with Mr. Newman, attempting to gain an understanding of what was covered and how to put together the details he required from me for the claim, such as an itemized list of all of the items that were damaged or lost.



Eventually Mr. Newman advised me that he had a computer program which would calculate the values of every building and personal property item I would be claiming, and that if I wanted to recover the best value for my lost items I had to provide a receipt for the purchase of each item, or he would be compelled to use the pricing in his computer program. [ did he say if he could deviate?]

By November, Mr. Newman tendered his first settlement offer totaling \$49,205.87 for our house, less \$8,071.67 (16.4%) for depreciation (even though we had finished completely remodeling four months before the hurricane). In addition he offered us \$6,905.13 for our entire detached garage, less \$1,213.50 in depreciation.

I remember distinctly discussing the value of my carpeting, again only four months old, and telling him that I could not find the receipts for it. He had offered to pay us \$19.85 per yard, about 20% less than what we had paid, and less depreciation of 18% of the carpet value, for four months' use. I continued through most every other item he had listed, pointing out that according to contractors with whom I was getting prices, his pricing was far less than what was required to complete the repairs. His reply continued to be that, unless I had receipts showing the breakdown of pricing for each item listed by him, he was obligated to use the pricing in his computer program.

As I went through his settlement offer with him, pointing out pricing errors, and more importantly items that were missing altogether, Mr. Newman advised me that the estimate was just a "rough draft", and now that we had gone over it, he would do a revision.

At the same time I also gave Mr. Newman the list of our personal property, which totaled \$193,968.08. Our coverage was only for \$52,500.00, and Mr. Newman proceeded to assess depreciation of \$138,138.08 (71%), arriving at a total personal property loss value of \$55,380.00.

The revision of his rough draft was done the next month, then totaling \$124,929.57, with depreciation now increased to 18.4% (for the same four month old construction items). With many items still missing and vastly underpriced, Mr. Newman now advised that he would make no more changes to our settlement offer. Essentially, we could take it or leave it. By then we had already paid out over \$40,000.00 toward rebuilding our home, had been given only \$5,000.00, plus \$10,000.00 from FEMA, which they then demanded we pay back (which we borrowed to do). It seemed that we had better accept his offer, as we were being squeezed economically, and couldn't figure out where else to turn for any help.

The following April (2004) we received a letter from Anthony Lowe, Director, Mitigation Division, informing us that FEMA was implementing a "review process" for Hurricane Isabel flood claims.

We submitted a form outlining our position that our flood claim had been undervalued. Some time thereafter, someone called my husband (who had not worked on our claim at all), asking for some further information. I returned the call to the person, and answered his questions with respect to some basic information about our policy, and some other incidental information. He didn't want to know anything more about what our claim loss was, only what was the policy



coverage we bought, what amounts were we paid, and had we been paid any money under our ICC coverage. I assumed we would hear back from someone, but we never did.

Finally in August of 2005 I called the Review Task Force office, and was connected to another person who advised that the office was being shut down within two weeks due to the hurricanes in Florida, that he had reviewed my file, and determined that we might be entitled to a couple of thousand dollars more, which likely would not be worth our while to pursue, and would probably be lost in a paperwork shuffle anyway.

We never heard any more by telephone or by mail from FEMA or the Review Task Force.

In October, my foundation engineer introduced me to Daniel Montgomery, a professional insurance adjuster and consultant who had been working with Isabel and NFIP victims in our area. Mr. Montgomery came to our home, and reviewed our claim documents, photos and damage at no charge, which I understood he had done for other victims.

Mr. Montgomery subsequently advised me of the following:

1. Our claim had been calculated by a software program published by Simsol Insurance Services, utilizing a pricing database for new construction, not insurance repair and remodeling, which is far more costly on a unit price basis.
2. We had been paid for only a portion of the items required to bring our house back to it's pre-flood condition. Mr. Montgomery estimated that our claim was more likely twice the amounts that had been paid.
3. We had not been paid at all for mold which had begun to grow throughout the walls that were not covered by the adjuster, and had affected our children.
4. We had not been advised by the FEMA Task Force Review Team of either the status or the outcome of the claim review which we had requested.

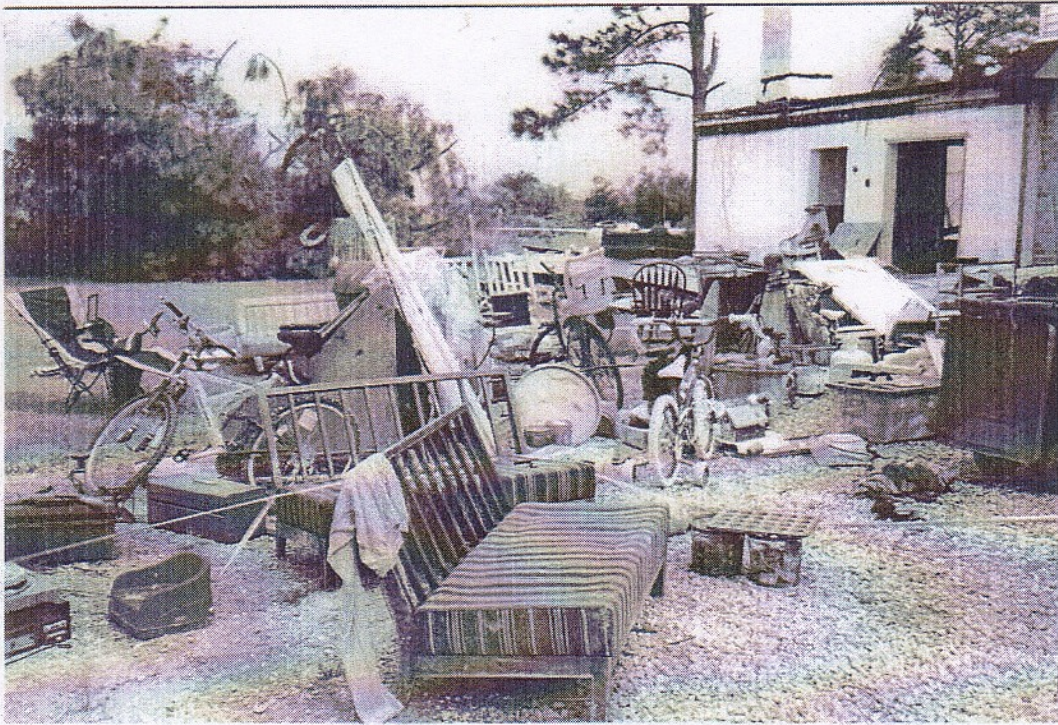
The pictures which follow will hopefully speak for themselves:

This concludes the detail summary of my testimony. Thank you for permitting me the opportunity to put but one face on those whose trust is being betrayed every day by this out-of-control agency. I sincerely hope we can all trust you to end the charade and fix the problems laid before you.

Sincerely,

Georgette Stelyn

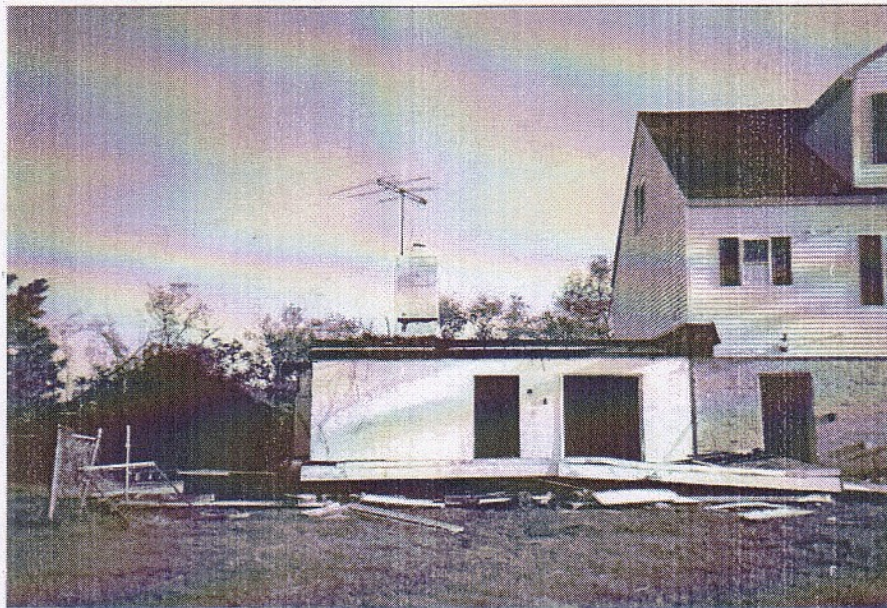








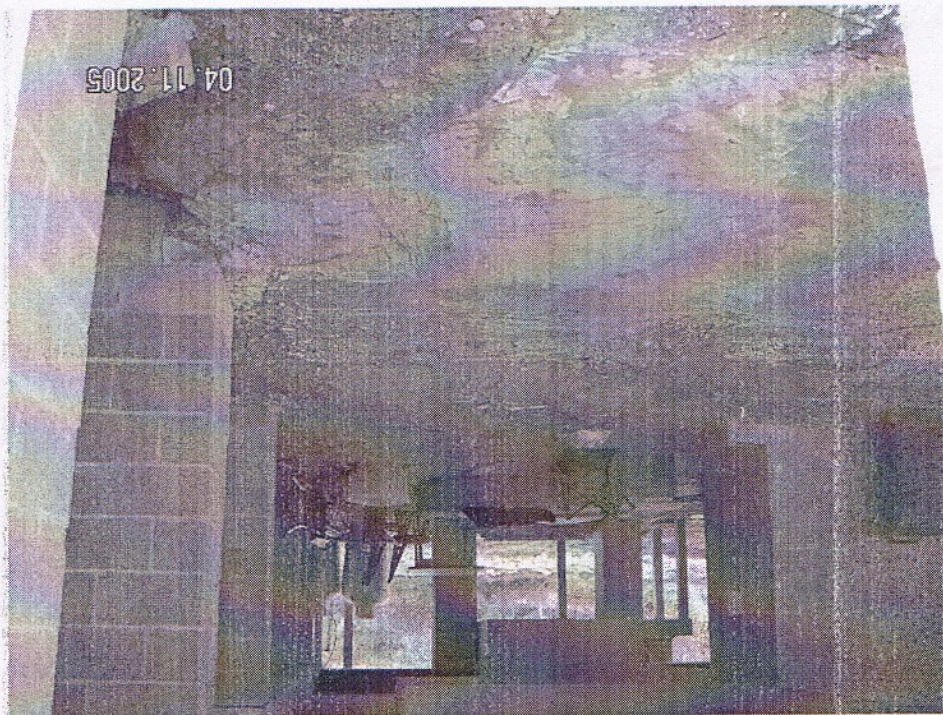
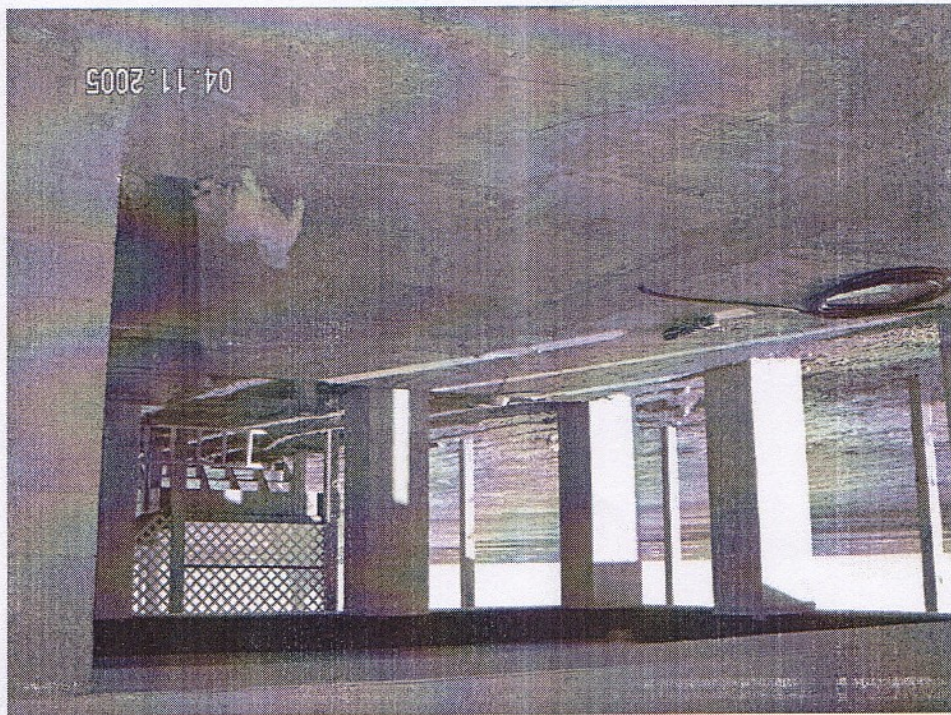














United States House of Representatives  
Committee on Financial Services

"TRUTH IN TESTIMONY" DISCLOSURE FORM

Clause 2(e) of rule XI of the Rules of the House of Representatives and the Rules of the Committee on Financial Services require the disclosure of the following information. A copy of this form should be attached to your written testimony.

1. Name: <i>Georgette J Stelyn</i>	2. Organization or organizations you are representing: <i>Self</i>
3. Business Address and telephone number: <i>Home</i> <i>923 Bay Tree Beach RD</i> <i>SEAFORD VA. 23696</i>	
4. Have you received any Federal grants or contracts (including any subgrants and subcontracts) since October 1, 2004 related to the subject on which you have been invited to testify?  <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	5. Have any of the organizations you are representing received any Federal grants or contracts (including any subgrants and subcontracts) since October 1, 2004 related to the subject on which you have been invited to testify?  <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
6. If you answered "yes" to either Item 4 or 5, please list the source and amount of each grant or contract, and indicate whether the recipient of such grant was you or the organization(s) you are representing. You may list additional grants or contracts on additional sheets.  <i>yes, \$14,135. in Rental assistance</i> <i>From FEMA</i>	
7. Signature:  <i>Georgette J. Stelyn</i>	

Please attach a copy of this form to your written testimony.



Georgette J. Stelyn  
Witness Information Statement

Name: Georgette J. Stelyn

Age: 35

Born: Wilmington, Delaware

Address: 923 Bay Tree Beach Road  
Seaford, VA 23696

Flood Damaged Residence: Same

Current Marital Status: Separated

Dependents: 4 children ages 8, 6, 3 and 23 months (Two severely sickened by mold, and treated with nebalizers)

Occupation: Homemaker

Education: High School Graduate, Some college

Related reason for testifying: Hurricane Isabel and NFIP Victim

Federal Grants: Received FEMA rental assistance of \$14,135.00 from September 2003 to August 2004.



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